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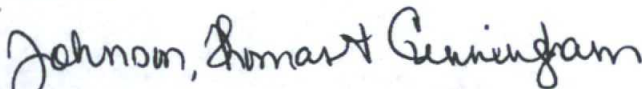
February 3, 2015

Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70802

RE: Jackson Parish Sheriff's Department - Audit
June 30, 2014

Our office, Johnson, Thomas & Cunningham, CPA's, has revised the report for the above referenced entity. The reason for this revision is to opine on supplementary information and required supplementary information. This revision is located on page 7.

Sincerely,



Johnson, Thomas & Cunningham, CPA's
JTC/sdw

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 11 2015

REISSUE

**JACKSON PARISH SHERIFF
JONESBORO, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2014**

Jackson Parish Sheriff
Jonesboro, Louisiana
June 30, 2014

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Jackson Parish Sheriff
Jonesboro, Louisiana
June 30, 2014

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JACKSON PARISH SHERIFF

P. O. Box 303
Jonesboro, LA 71458-0303

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the Jackson Parish Sheriff, we offer readers of the Jackson Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Jackson Parish Sheriff as of and for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the Sheriff's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources. Certain comparative information is presented to provide an overview of the Sheriff's operations.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities (Net Position) on June 30, 2014 and 2013, by \$14,365,017 and \$12,598,652, respectfully. The Sheriff's net position increased by \$1,766,365 as a result of this year's operations. Total Net Position is comprised of the following:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Capital assets, net of accumulated depreciation	\$ 535,944	\$ 513,071
Unrestricted Net Position which represents the portion available to maintain continuing obligations to citizens and creditors	<u>13,829,073</u>	<u>12,085,581</u>
Total Net Position	<u>\$14,365,017</u>	<u>\$12,598,652</u>

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Sheriff as a whole and present a longer-term view of the Sheriff's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Sheriff uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year. As the Government-wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact as short-term financing decreases. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the difference between these two views.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies and deposits held pending court action. The Sheriff reports these as agency funds.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents Other Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to actual revenues and expenditures.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in Net Position may be observed and used to discuss the changing financial position of the Sheriff as a whole.

CAPITAL ASSETS

The Sheriff's investment in capital assets as of June 30, 2014 is \$535,944 (net of accumulated depreciation). This investment in capital assets includes office furniture, radios, vehicles and buildings. The Sheriff's major capital assets are vehicles. Additional information on the Sheriff's capital assets can be found on page 27 of this report.

LONG-TERM OBLIGATIONS

At the end of the fiscal year, the Sheriff had total long-term obligations of \$1,698,923, consisting entirely of post-employment benefit payables.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2014</u>	<u>2013</u>
ASSETS:		
Current Assets-		
Cash & Cash Equivalents	\$15,551,366	\$13,251,628
Receivables	806,969	885,788
Due from Other Funds	90	90
Non-current Assets-		
Capital Assets (net)	<u>535,944</u>	<u>513,071</u>
Total Assets	<u>\$16,894,369</u>	<u>\$14,650,577</u>
LIABILITIES:		
Current Liabilities-		
Accounts Payable	\$ 643,230	\$ 717,821
Accrued Expenses	187,199	132,451
Non-current Liabilities-		
OPEB Payable	<u>1,698,923</u>	<u>1,201,653</u>
Total Liabilities	<u>\$ 2,529,352</u>	<u>\$ 2,051,925</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 535,944	\$ 513,071
Unrestricted	<u>13,829,073</u>	<u>12,085,581</u>
Total Net Position	<u>\$14,365,017</u>	<u>\$12,598,652</u>

The Sheriff continues to maintain operations with no long-term debt. This is an indication of the Sheriff's ability to pay obligations as they become due.

Summary of Statement of Activities

Comparative data for government-wide information is presented to assist analysis. The following table provides a summary of the Sheriff's changes in Net Position:

	<u>2014</u>	<u>2013</u>
REVENUES:		
Charges for Services/Fines	\$11,912,243	\$13,173,721
Operating and Capital Grants	249,719	237,215
Ad Valorem Taxes	5,108,523	4,983,955
Donations	0	5,000
Miscellaneous	<u>18,274</u>	<u>13,698</u>
Total Revenues	<u>\$17,288,759</u>	<u>\$18,413,589</u>
EXPENSES:		
Public Safety	\$15,517,607	\$16,673,279
Loss on Sale of Assets	<u>4,787</u>	<u>15,329</u>
Total Expenses	<u>\$ 15,522,394</u>	<u>\$16,688,608</u>
Change in Net Position	<u>\$ 1,766,365</u>	<u>\$ 1,724,981</u>

The change in Net Position for 2014 is \$1,766,365, which exceeds the prior year increase by \$41,383. Total net position increased by 14% in the current year.

GOVERNMENTAL FUNCTIONAL EXPENSES

The functions of the Sheriff are public safety and law enforcement activities and parish-wide tax collections.

GENERAL BUDGETARY HIGHLIGHTS

For the year ended June 30, 2014, expenditures were within the 5% variance allowed. General Fund actual revenues were less than budgeted revenues by 5.4%, or \$985,926, which resulted primarily from a decrease in prisoner maintenance fees.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In the fiscal year 2014-2015 budget is forecast to provide \$33,707,433 in estimated surplus and revenues to fund costs of \$17,955,357. Capital Outlay is budgeted in the amount of \$800,000 to be used for the acquisition of vehicles and other law enforcement equipment. The Sheriff continues to experience economic growth.

CONTACTING THE SHERIFF'S OFFICE

This financial report is designed to provide a general overview of the Sheriff's finances, compliance with governmental financial reporting laws and regulations and demonstrate the Sheriff's commitment to public accountability. If you have additional questions about this report or would like to request additional information, contact Andy Brown, Sheriff, 500 East Court Street, Jonesboro, LA 71251.

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INDEPENDENT AUDITOR'S REPORT

Andy Brown, Sheriff
of Jackson Parish
500 East Court Street
Jonesboro, LA 71251

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, fiduciary funds, and the aggregate remaining fund information of the Jackson Parish Sheriff (Sheriff) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, fiduciary funds, and the aggregate remaining fund information of the Sheriff as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 5 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The budgetary comparison and the annual reporting requirement of sheriffs listed as other required supplementary information in the table of contents and the supplemental information schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison statement, annual reporting requirement of sheriffs, and the supplemental information schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison statement, annual reporting requirement of sheriffs, and the supplemental information schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Johnson Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

December 12, 2014

Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Jackson Parish Sheriff
Jonesboro, Louisiana
Statement of Net Position
June 30, 2014

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$15,551,366
Due from Other Funds	90
Revenue Receivable	<u>806,969</u>
Total Current Assets	\$16,358,425
Non-current Assets-	
Capital Assets (Net)	<u>535,944</u>
Total Assets	<u>\$16,894,369</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 643,230
Accrued Expenses	<u>187,199</u>
Total Current Liabilities	\$ 830,429
Long-term Liabilities-	
Other Post-employment Benefits	<u>1,698,923</u>
Total Liabilities	<u>\$ 2,529,352</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 535,944
Unrestricted	<u>13,829,073</u>
Total Net Position	<u>\$14,365,017</u>

See notes to financial statements.

Jackson Parish Sheriff
Jonesboro, Louisiana
Statement of Activities
June 30, 2014

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees, Fines Commissions, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public Safety	<u>\$15,517,607</u>	<u>\$11,912,243</u>	<u>\$249,719</u>	<u>\$ (3,355,645)</u>
General Revenues:				
Taxes-				
Ad Valorem				\$ 5,108,523
Loss on Sale of Assets				(4,787)
Miscellaneous				<u>18,274</u>
Total General Revenues				<u>\$ 5,122,010</u>
Change in Net Position				\$ 1,766,365
Net Position at Beginning of Year				<u>12,598,652</u>
Net Position at End of Year				<u>\$14,365,017</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Jackson Parish Sheriff
Jonesboro, Louisiana
Balance Sheet-Governmental Funds
June 30, 2014

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Nonmajor Fund</u> <u>Jury Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS:			
Cash & Cash Equivalents	\$15,542,843	\$8,523	\$15,551,366
Due from Other Funds	0	90	90
Revenue Receivable	<u>806,969</u>	<u>0</u>	<u>806,969</u>
Total Assets	<u>\$16,349,812</u>	<u>\$8,613</u>	<u>\$16,358,425</u>
LIABILITIES:			
Accounts Payable	\$ 643,230	\$ 0	\$ 643,230
Accrued Expenses	<u>187,199</u>	<u>0</u>	<u>187,199</u>
Total Liabilities	<u>\$ 830,429</u>	<u>\$ 0</u>	<u>\$ 830,429</u>
FUND BALANCE:			
Restricted for:			
Jury Notices	\$ 0	\$8,613	\$ 8,613
Unassigned	<u>15,519,383</u>	<u>0</u>	<u>15,519,383</u>
Total Fund Balance	<u>\$15,519,383</u>	<u>\$8,613</u>	<u>\$15,527,996</u>
Total Liabilities and Fund Balance	<u>\$16,349,812</u>	<u>\$8,613</u>	<u>\$16,358,425</u>

Amounts reported for Governmental Activities
in the Statement of Net Position are different because:

Total Fund Balance	\$15,527,996
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds-	
Capital Assets	1,519,702
Less, Accumulated Depreciation	(983,758)
Long-term Liabilities are not due and payable in the current period and are not reported in the funds-	
Other Post-employment Benefits	<u>(1,698,923)</u>
Net Position of Governmental Activities	<u>\$14,365,017</u>

See notes to financial statements.

Jackson Parish Sheriff
Jonesboro, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2014

	<u>Major Fund</u> General <u>Fund</u>	<u>Nonmajor Fund</u> Jury Service <u>Fund</u>	Total Governmental <u>Funds</u>
REVENUES:			
Taxes-			
Ad Valorem	\$ 5,108,523	\$ 0	\$ 5,108,523
Fees, Fines, Commissions & Charges for Services-			
Civil & Criminal Fees	30,305	0	30,305
Commissions-Sheriff's Revenue Sharing	63,656	0	63,656
Commissions-Fines & Bonds	20,553	0	20,553
Commissions-Judicial Sales & Seizures	48,709	0	48,709
Commissions-Correctional Center	160,008	0	160,008
Prisoner Maintenance	7,790,805	0	7,790,805
Other Fees, Fines, Commissions & Charges for Services	208,973	1,089	210,062
Operating Grants & Contributions-			
State Supplemental Pay	203,911	0	203,911
State Revenue Sharing	45,808	0	45,808
Reimbursement-Correctional Center	3,588,145	0	3,588,145
Miscellaneous-			
Interest	<u>18,244</u>	<u>30</u>	<u>18,274</u>
Total Revenues	<u>\$17,287,640</u>	<u>\$1,119</u>	<u>\$17,288,759</u>
EXPENDITURES:			
Public Safety-			
Current-			
Personnel Services & Related Benefits	\$ 6,460,342	\$ 0	\$ 6,460,342
Operating Services	8,080,601	716	8,081,317
Materials & Supplies	278,817	0	278,817
Travel & Other Charges	15,704	0	15,704
Capital Outlay	<u>236,893</u>	<u>0</u>	<u>236,893</u>
Total Expenditures	<u>\$15,072,357</u>	<u>\$ 716</u>	<u>\$15,073,073</u>

Continued next page

See notes to financial statements.

Jackson Parish Sheriff
Jonesboro, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
For the Year Ended June 30, 2014

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Nonmajor Fund</u> <u>Jury Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Excess of Revenues over Expenditures	\$ 2,215,283	\$ 403	\$ 2,215,686
OTHER FINANCING SOURCES (USES):			
Sale of Capital Assets	<u>25,076</u>	<u>0</u>	<u>25,076</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 2,240,359	\$ 403	\$ 2,240,762
Fund Balance-Beginning of Year	<u>13,279,024</u>	<u>8,210</u>	<u>13,287,234</u>
Fund Balance-End of Year	<u>\$15,519,383</u>	<u>\$8,613</u>	<u>\$15,527,996</u>

See notes to financial statements.

Jackson Parish Sheriff
Jonesboro, Louisiana
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balance - Governmental Funds	\$2,240,762
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is	236,893
Depreciation expense on capital assets is reported in the Government-wide financial statements, but they do not require the use of current financial resources and are not reported in the Fund Financial Statements. Current year depreciation expense is	(184,157)
Governmental Funds report the entire amount received from sales of assets as revenues, but the undepreciated cost of the asset reduces the gain from the sale in the Statement of Activities	(29,863)
Increases in Long-Term Debt are reflected as an increase in expenses on the Statement of Activities, but are not reported in the Governmental Funds	
Other Post-employment Benefits	<u>(497,270)</u>
Change in Net Position of Governmental Activities	<u>\$1,766,365</u>

See notes to financial statements.

Jackson Parish Sheriff
Jonesboro, Louisiana
Fiduciary Fund Type-Agency Funds
Statement of Fiduciary Net Position
For the Year Ended June 30, 2014

	Sheriff's Civil <u>Fund</u>	Sheriff's Criminal <u>Fund</u>	Tax Collector <u>Fund</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	<u>\$8,050</u>	<u>\$80,340</u>	<u>\$1,443</u>	<u>\$89,833</u>
LIABILITIES:				
Due to Other Funds	\$ 0	\$ 90	\$ 0	\$ 90
Due to Other Governments	<u>8,050</u>	<u>80,250</u>	<u>1,443</u>	<u>89,743</u>
Unsettled Deposits	<u>\$8,050</u>	<u>\$80,340</u>	<u>\$1,443</u>	<u>\$89,833</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2014

1. Introduction:

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the ex-officio tax collector of the parish, the Sheriff is responsible for the collection and distribution of ad valorem property taxes and state revenue sharing funds.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility of enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, and other community-involvement programs. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

In accordance with certain laws the Sheriff accounts for the collection and disbursement of bonds, fines and costs and forfeitures imposed by the district court.

2. Summary of Significant Accounting Policies:

A. Reporting Entity-

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2014

B. Basis of Presentation-

Government-Wide Financial Statements-

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements-

The Sheriff's Office uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The funds of the Sheriff are described as follows:

Governmental Funds-

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422 is the principal fund and is used to account for the operations of the Sheriff's office. The Sheriff's primary source of revenue is from revenues from the State of Louisiana for prisoner maintenance. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, and various other reimbursements, fees, grants, and commissions. General operating expenditures are paid from this fund.

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2014

Special Revenue Fund - Jury Service Fund

The special revenue fund is used to account for the proceeds of specific revenue sources. Those revenues are legally restricted to expenditures for specified purposes. Per criteria for Fund Financial Statements above, this fund is presented as a nonmajor fund in the governmental fund financial statements.

Fiduciary Funds-

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements present a Statement of Fiduciary Net Position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds, which are custodial in nature (assets equal liabilities); do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues

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“available” if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

D. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Sheriff.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
Vehicles	5 years
Radios	10 years
Buildings	25-40 years

Equity Classifications

In the government-wide statements, equity is classified as Net Position and displayed in three components:

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- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

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The General Fund has an unassigned fund balance of \$15,519,383. If applicable, the Sheriff would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

E. Budget-

Prior to the beginning of each fiscal year, the Sheriff adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

F. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

G. Compensated Absences-

Employees are not allowed to carry leave forward from year to year, therefore, no entry is made for compensated absences.

3. Levied Taxes:

The Sheriff levied the following millages for ad valorem taxes for 2013.

Constitutional	11.70	indefinite
Law Enforcement Sheriff	<u>8.57</u>	expires 2015
Total	20.27	

The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed. The property tax calendar is as follows:

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes due	December 31
Penalties & interest added	January 31 of ensuing year
Tax Sale	May 15 of ensuing year

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Total assessed value was \$271,267,910 in 2013. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property tax. In 2013, this homestead exemption was \$19,564,830 of the total assessed value. The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>
Exco Operating Co.	\$82,498,870	30.4%
ETC Tiger Pipeline	\$42,726,910	15.7%
Regency Intrastate Pipeline	\$22,683,640	8.3%
Centerpoint Energy Gas	\$16,096,150	5.9%
Rock Tenn	\$16,688,920	6.1%

4. Cash and Cash Equivalents:

The cash and cash equivalents of the Jackson Parish Sheriff are subject to custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Sheriff will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

Cash is held separately by each of the Sheriff's funds. At June 30, 2014, cash totaled \$15,641,199 (book balances), including \$435 cash on hand. Bank account balances at June 30, 2014, totaled \$15,872,172. Of this amount, \$355,590 was insured by FDIC and \$15,516,582 was secured by pledged securities.

5. On-Behalf Payments:

Certain employees of the Jackson Parish Sheriff receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$203,911.

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
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6. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2014, are as follows:

<u>Governmental Activities</u>	<u>Balance 07-01-13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-14</u>
Capital Assets:				
Office Furniture, Fixtures and Equipment	\$ 262,605	\$ 10,245	\$ 0	\$ 272,850
Radios	198,941	47,517	0	246,458
Vehicles	892,334	179,131	(112,275)	959,190
Buildings	41,204	0	0	41,204
Total Assets	\$1,395,084	\$236,893	\$(112,275)	\$1,519,702
Less, Accumulated Depreciation:				
Office Furniture, Fixtures and Equipment	\$ 200,112	\$ 34,796	\$ 0	\$ 234,908
Radios	140,656	8,654	0	149,310
Vehicles	527,081	139,398	(82,412)	584,067
Buildings	14,164	1,309	0	15,473
Total Depreciation	\$ 882,013	\$184,157	\$ (82,412)	\$ 983,758
Net Capital Assets	\$ 513,071	\$ 52,736	\$ (29,863)	\$ 535,944

Depreciation expense of \$184,157 for the year ended June 30, 2014, was charged to the Public Safety function.

7. Receivables:

The following is a summary of receivables at June 30, 2014:

Class of Receivable – General Fund

Correctional Center Reimbursement	\$137,724
Intergovernmental	12,845
Fees, Charges and Commissions-	
Civil and Criminal Fees	1,156
Feeding and Keeping Prisoners	636,940
Other Fees, Fines, and Commissions	18,304
Total	\$806,969

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8. Pension Plan:

Plan Description. Substantially all employees of the Jackson Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a multiple-employer defined benefit pension plan (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All sheriffs and deputies who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 7, 1979, and before January 1, 1991; \$550 if employed between January 1, 1991, and December 31, 1999; and \$800 if employed after January 1, 2000, are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and who do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at 55. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, LA 70806 or by calling (800) 586-9049.

Funding Policy. Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Jackson Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.89 percent of annual covered payroll. The Jackson Parish Sheriff pays the plan members required contribution for any employees with at least two years of service. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Jackson Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Jackson Parish Sheriff's contributions to the System for the years ending June 30, 2014, 2013, and 2012, were \$1,062,445, \$1,078,147, and \$922,182, respectively, equal to the required contributions for each year.

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
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9. Post-employment Benefits Other Than Pensions:

Plan Description. The Jackson Parish Sheriff's medical and life insurance benefits are provided to employees upon actual retirement.

The Jackson Parish Sheriff pays 100% of the medical coverage for the retiree only, not dependents. The Sheriff also pays for life insurance coverage after retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) age is 55 with at least 15 years of service.

Life insurance coverage is continued to retirees by election and the blended rate for active employees and retirees is \$0.413 per \$1,000 of insurance. The Sheriff pays for life insurance of \$10,000 after retirement for retirees but it is based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, the Sheriff used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates. Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy. Until Fiscal Year Ending June 30, 2009, the Jackson Parish Sheriff recognized the cost of providing post-employment medical and life benefits (the Jackson Parish Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, the Jackson Parish Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$74,508 and \$68,989, respectively.

Effective with the Fiscal Year beginning July 1, 2009, the Jackson Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution. Jackson Parish Sheriff's Office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

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	<u>2014</u>	<u>2013</u>	<u>2012</u>
Normal Cost	\$377,729	\$363,201	\$193,870
30-year UAL amortization amount	<u>215,474</u>	<u>207,187</u>	<u>96,032</u>
Annual required contribution (ARC)	<u>\$593,204</u>	<u>\$570,388</u>	<u>\$289,902</u>

Net Post-employment Benefit Obligation (Asset). The table below shows the Jackson Parish Sheriff's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Beginning Net OPEB Obligation	\$1,201,653	\$712,966	\$474,629
Annual required contribution	593,204	570,388	289,902
Interest on Net OPEB Obligation	48,066	28,519	18,985
ARC Adjustment	<u>(69,492)</u>	<u>(41,231)</u>	<u>(27,448)</u>
OPEB Cost	\$ 571,778	\$557,676	\$281,439
Current year retiree premium	<u>(74,508)</u>	<u>(68,989)</u>	<u>(43,102)</u>
Change in Net OPEB Obligation	<u>\$ 497,270</u>	<u>\$488,687</u>	<u>\$238,337</u>
Ending Net OPEB Obligation	<u>\$1,698,923</u>	<u>\$1,201,653</u>	<u>\$712,966</u>

The following table shows the Jackson Parish Sheriff's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for the last three fiscal years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2014	\$571,778	13.03%	\$1,698,823
June 30, 2013	\$557,676	12.37%	\$1,201,653
June 30, 2012	\$281,439	15.31%	\$ 712,966

Funded Status and Funding Progress. In the fiscal year ending June 30, 2014, 2013 and 2012, the Jackson Parish Sheriff made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2014 was \$3,875,141, which is defined as that portion, as determined by a particular actuarial cost method (the Jackson Parish Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2014

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarial Accrued Liability (AAL)	\$3,875,141	\$3,726,097	\$1,727,029
Actuarial Value of Plan Assets (AVP)	<u>0</u>	<u>0</u>	<u>0</u>
Unfunded Act. Accrued Liability (UAAL)	<u>\$3,875,141</u>	<u>\$3,726,097</u>	<u>\$1,727,029</u>
 Funded Ratio (AVP/AAL)	 0%	 0%	 0%
 Covered Payroll (active plan members)	 \$4,656,215	 \$5,475,525	 \$4,730,164
UAAL as a percentage of covered payroll	83.23%	68.05%	36.51%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Jackson Parish Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Jackson Parish Sheriff and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Jackson Parish Sheriff and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board (ASOP 6), as provided in paragraph number 125 of GASB Statement 45, would be used.

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2014

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

Post-employment Benefit Plan Eligibility Requirements. The Jackson Parish Sheriff has assumed that actual retirement (and commencement of OPEB benefits) occurs at thirty years of service or, if earlier, three years after the earliest retirement (D.R.O.P. entry) eligibility described in the section entitled "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so the Jackson Parish Sheriff has estimated the "unblended" rates for retirees before Medicare as 130% of the blended rate, as required by GASB 45 for valuation purposes.

Inflation Rate:

Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases:

This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

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Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2014

Post-retirement Benefit Increases:

The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal years:

	<u>OPEB Costs and Contributions</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
OPEB Cost	<u>\$281,439</u>	<u>\$557,676</u>	<u>\$571,778</u>
Contribution	\$ 0	\$ 0	\$ 0
Retiree Premium	<u>43,102</u>	<u>68,989</u>	<u>74,508</u>
Total Contribution & Premium	<u>\$ 43,102</u>	<u>\$ 68,989</u>	<u>\$ 74,508</u>
Change in net OPEB Obligation	<u>\$238,337</u>	<u>\$488,687</u>	<u>\$497,270</u>
% of Contribution to Cost	0%	0%	0%
% of Contribution Plus Premium to Cost	15.31%	12.37%	13.03%

10. Changes in Agency Balances:

A summary of changes in agency balances due to taxing bodies and others follows:

<u>Governmental Activities</u>	<u>Balance 07-01-13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-14</u>
Sheriff's Civil Fund	\$ 8,500	\$ 139,752	\$ 140,202	\$ 8,050
Sheriff's Criminal Fund	98,526	270,568	288,754	80,340
Tax Collector's Fund	<u>1,611</u>	<u>25,542,150</u>	<u>25,542,318</u>	<u>1,443</u>
Total	<u>\$108,637</u>	<u>\$25,952,470</u>	<u>\$25,971,274</u>	<u>\$89,833</u>

Jackson Parish Sheriff
Jonesboro, Louisiana
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June 30, 2014

11. Leases:

On September 12, 1985, the Jackson Parish Sheriff entered into a 99-year property lease of three acres of land to be used as a firearms and training complex. Total consideration on this lease is \$10 for the entire lease period.

The Jackson Parish Sheriff entered into two property lease agreements as of June 30, 2012. The first lease at Lots 4, 5, and 6 of Block 38, Town of Jonesboro, LA for the patrol and K-9 offices. The primary term of this lease is for a period of five years beginning February 1, 2011 and ending on February 28, 2016 for a monthly lease amount of \$975. There is an option to renew for an additional five years at an increased monthly rate of \$1,250. The second lease was for use as an animal control shelter. The terms of this lease are for a period of four years beginning June 1, 2011 and ending on June 1, 2015 for a monthly lease amount of \$900.

12. State Revenue Sharing Funds:

The revenue sharing funds were distributed as follows:

Jackson Parish:	
Police Jury	\$ 83,387
School Board	87,822
Assessor	31,803
Ambulance Service District	4,544
Sheriff	109,464
Pension Funds	<u>9,894</u>
Total	<u>\$326,914</u>

13. Expenditures of the Sheriff's Office Paid by the Parish Police Jury:

The Sheriff's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the Jackson Parish Police Jury.

14. Related Parties:

There were no identified related party transactions.

15. Unfavorable Budget Variance

The Sheriff's General Fund received \$985,926 or 5.4% less revenue than the amount of budgeted revenues. See finding-2014-01.

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2014

16. Ex-officio Tax Collector:

The amount of cash on hand at year-end was \$1,443. The amount of taxes collected by taxing authority was:

Jackson Parish Police Jury	\$ 3,982,363
Jackson Parish School Board	6,345,161
Jackson Parish Sheriff	5,102,491
Jackson Parish Hospital	2,560,433
Jackson Parish Assessor	1,497,769
Jackson Parish Ambulance Service District	1,216,021
Jackson Parish Recreation District	1,184,530
Jackson Parish Council on Aging	617,700
LA Forestry Commission	25,246
LA Tax Commission	8,232
Jackson Parish Fire Districts	1,973,703
Pension Funds	<u>700,464</u>
Total	<u>\$25,214,113</u>

All assessed taxes after change orders approved by the LA Tax Commission were collected as of June 30, 2014.

17. Subsequent Events:

Management has evaluated events through December 12, 2014, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

Jackson Parish Sheriff
Jonesboro, Louisiana
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Original/Final <u>Budget</u>	2014 <u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
REVENUES:			
Taxes	\$ 4,450,000	\$ 5,108,523	\$ 658,523
State Shared Revenues-			
Supplemental Pay	218,149	203,911	(14,238)
State Revenue Sharing	112,000	109,464	(2,536)
Forestry Tax	3,800	3,833	33
Fines & Bonds	96,694	20,553	(76,141)
Interest	24,100	18,244	(5,856)
Miscellaneous Revenue	279,375	424,961	145,586
Communication District	19,100	19,200	100
Prisoner Maintenance	<u>13,070,348</u>	<u>11,378,951</u>	<u>(1,691,397)</u>
Total Revenues	<u>\$18,273,566</u>	<u>\$17,287,640</u>	<u>\$ (985,926)</u>
EXPENDITURES:			
Advertising & Dues	\$ 27,000	\$ 39,729	\$ (12,729)
Youth Program & Community Relations	19,000	5,500	13,500
Salaries & Benefits-			
Sheriff's Department	3,135,466	2,582,709	552,757
Corrections	4,172,000	3,689,310	482,690
Supplemental Pay	218,149	188,322	29,827
Equipment Costs	410,000	24,395	385,605
Insurance & Bonding	201,700	88,393	113,307
Office Expense	94,800	16,052	78,748
Telephone & Utilities	45,000	40,682	4,318
Repair & Maintenance	45,000	83,216	(38,216)
Professional Services	48,000	19,624	28,376
Feeding & Housing Prisoners	8,898,348	7,790,805	1,107,543
Supplies	40,000	181,573	(141,573)
Travel	8,000	15,704	(7,704)
Other	202,200	69,450	132,750
Acquisition of Cars	250,000	179,131	70,869
Capital Outlay	<u>400,000</u>	<u>57,762</u>	<u>342,238</u>
Total Expenditures	<u>\$18,214,663</u>	<u>\$15,072,357</u>	<u>\$ 3,142,306</u>

See notes to financial statements.

Continued next page

Jackson Parish Sheriff
Jonesboro, Louisiana
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u> <u>Original/Final</u>	<u>2014</u> <u>Actual</u>	<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
Excess of Revenues over Expenditures	\$ 58,903	\$ 2,215,283	\$ 2,156,380
OTHER FINANCING SOURCES (USES):			
Sale of Capital Assets	<u>0</u>	<u>25,076</u>	<u>25,076</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 58,903	\$ 2,240,359	\$ 2,181,456
Fund Balance-Beginning of Year	<u>13,279,024</u>	<u>13,279,024</u>	<u>0</u>
Fund Balance-End of Year	<u>\$13,337,927</u>	<u>\$15,519,383</u>	<u>\$2,181,456</u>

See independent auditor's report.

State of Louisiana, Parish of Jackson

Andrew N. Brown, Sheriff of Jackson Parish

BEFORE ME, the undersigned authority, personally came and appeared, Andrew N. Brown, the sheriff of Jackson Parish, State of Louisiana, who after being duly sworn, deposed and said:

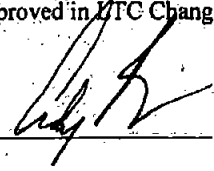
\$1,443 is the amount of cash on hand in the tax collector account on June 30, 2014.

The following is a list of ad valorem taxes assessed and collected for 2013.

	2013 Adjusted <u>Tax Assessed</u>	2013 <u>Collections</u>
Louisiana Dept. of Forestry	\$ 25,237	\$ 25,237
Louisiana Tax Commission	8,231	8,231
Jackson Parish:		
Sheriff's General Fund	5,097,456	5,097,456
Police Jury	3,631,354	3,631,354
School Board	6,587,279	6,587,279
Parish Library	502,955	502,955
Hospital	2,658,124	2,658,124
Assessor	1,496,291	1,496,291
Fire Protection District No. 1	456,284	456,284
Fire Protection District No. 2	689,241	689,241
Fire Protection District No. 4	444,314	444,314
Fire Protection District No. 3	459,119	459,119
Council on Aging	641,267	641,267
Recreation District	1,229,725	1,229,725
Ambulance Service District	<u>1,262,417</u>	<u>1,262,417</u>
	\$25,189,294	\$25,189,294

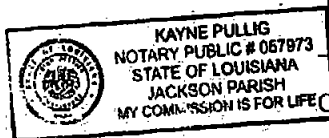
There were no uncollected taxes for the Taxing Year 2013, the additional adjusted amounts consist of the amounts that Louisiana Tax Commission approved in LTC Change Orders.

The above information is true and correct.



Sheriff of Jackson Parish

SWORN to and subscribed before me, Notary, this 12th day of December, 2014, in my office in Jonesboro, Louisiana.





Commission for Life

SUPPLEMENTAL INFORMATION SCHEDULES

Jackson Parish Sheriff
Jonesboro, Louisiana
Supplemental Information Schedules
as of and for the Year Ended June 30, 2014

FIDUCIARY FUNDS - AGENCY FUNDS

SHERIFF'S FUNDS

The *Sheriff's Civil Fund* accounts for funds held in civil suits, sheriff's sales, and garnishments and the disbursement of these collections to the proper recipients in accordance with applicable laws.

The *Sheriff's Criminal Fund* accounts for collection of bonds, fines and costs and the disbursement of these collections to the proper recipients in accordance with applicable laws.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to account for the collection of these taxes and fees and the resulting distribution to the appropriate taxing bodies.

Jackson Parish Sheriff
Jonesboro, Louisiana
Fiduciary Funds-Agency Funds
Combining Schedule of Changes in Net Position
For the Year Ended June 30, 2014

	Sheriff's Civil Fund	Sheriff's Criminal Fund	Tax Collector Fund	Total
Unsettled Balances-Beginning of Year	\$ 8,500	\$ 98,526	\$ 1,611	\$ 108,637
ADDITIONS:				
Deposits-				
Ad Valorem Taxes	\$ 0	\$ 0	\$25,214,113	\$25,214,113
State Revenue Sharing (see Note 12)	0	0	326,914	326,914
Interest- Demand Deposits	0	0	607	607
Sheriff's Sales	60,620	0	0	60,620
Garnishments	46,743	0	0	46,743
Bonds	0	65,635	0	65,635
Fines & Costs	0	198,665	0	198,665
Other Deposits	32,389	6,268	516	39,173
Total Additions	\$139,752	\$270,568	\$25,542,150	\$25,952,470
DEDUCTIONS:				
Deposits Settled to-				
Louisiana Department of Agriculture & Forestry	\$ 0	\$ 0	\$ 25,250	\$ 25,250
Jackson Parish-				
Police Jury	0	11,213	4,062,904	4,074,117
School Board	0	0	6,428,482	6,428,482
Sheriff	66,787	48,640	5,208,430	5,323,857
Recreation Department	0	0	1,183,684	1,183,684
Clerk of Court	13,006	19,295	1,440	33,741
Assessor	0	0	1,528,538	1,528,538
Ambulance Service District	0	0	1,219,686	1,219,686
Hospital Service District	0	0	2,558,581	2,558,581
Council on Aging	0	0	617,253	617,253
Quitman Fire Protection District No. 1	0	0	439,166	439,166
Ward 2 Fire Protection District	0	0	663,414	663,414
Ward 3 Fire Protection District	0	0	441,942	441,942
Ward 4 Fire Protection District	0	0	427,721	427,721

See notes to financial statements.

Continued next page

Jackson Parish Sheriff
Jonesboro, Louisiana
Fiduciary Funds-Agency Funds
Combining Schedule of Changes in Net Position
For the Year Ended June 30, 2014

	Sheriff's Civil Fund	Sheriff's Criminal Fund	Tax Collector Fund	Total
Pension Funds	0	0	710,294	710,294
Louisiana Tax Commission	0	0	8,231	8,231
Second Judicial District-				
District Attorney	0	31,815	0	31,815
District Judges	0	58,130	0	58,130
Indigent Defender Board	0	31,090	0	31,090
Attorney's, Litigants, Appraiser, etc.	10,634	0	0	10,634
Garnishments	47,229	0	0	47,229
Refunds	0	21,923	0	21,923
Other Settlements	2,546	45,593	17,302	65,441
Claiborne Parish Police Jury	0	17,049	0	17,049
La. Commission Law Enforcement	0	4,006	0	4,006
Total Deductions	\$140,202	\$288,754	\$25,542,318	\$25,971,274
Unsettled Balances-End of Year	\$ 8,050	\$ 80,340	\$ 1,443	\$ 89,833

See notes to financial statements.

SUPPLEMENTAL INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Andy Brown, Sheriff
of Jackson Parish
500 East Court Street
Jonesboro, LA 71251

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the major fund, fiduciary funds and the aggregate remaining fund information as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Jackson Parish Sheriff's (Sheriff) basic financial statements and have issued our report thereon dated December 12, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2014-01.

Sheriff's Response to Findings

The Sheriff's response to the finding identified in our audit is described in the accompanying schedule of findings. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

December 12, 2014
Natchitoches, Louisiana

Jackson Parish Sheriff
Schedule of Audit Findings
Year Ended June 30, 2014

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Jackson Parish Sheriff as of and for the year ended June 30, 2014.
2. The audit did not disclose any significant deficiencies in internal control.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The following finding relates to the financial statements and is required to be reported in accordance with *Government Auditing Standards*.

Compliance-

2014-01 Local Government Budget Act

Criteria - Louisiana State Law requires that when actual revenues are less than budgeted revenues by more than 5% and/or actual expenditures are more than budgeted expenditures by 5% or more, the budget should be amended.

Condition - For the year ended June 30, 2014, in the General Fund, actual revenues were less than budgeted revenues by more than the 5% variance allowed.

Effect - The budget cannot be used as an effective management tool to control expenditures.

Cause - General Fund was under-budget on revenues primarily due to a change in prisoner maintenance fees.

Recommendation - The Sheriff should institute procedures to ensure the budget is amended whenever actual revenues are less than budgeted revenues by more than the 5% allowed.

Management's Response - The Sheriff will institute procedures to ensure that the budget is amended whenever the actual revenues are less the 5% variance allowed.

III. PRIOR YEAR AUDIT FINDINGS

No findings.